

**Meezan Rozana Amdani Fund (MRAF)**

Managed By: *Al-Meezan Investment Management Limited*

**Fund Stability Rating**

**Latest Rating**

**AA+(f)  
6-Jan-25**

**What is Fund Stability Rating**

Fund Stability Rating (FSR) is a measure used to assess the stability and risk associated with a mutual fund or investment portfolio. The stability rating combines a comprehensive quantitative evaluation of the fund's portfolio with a qualitative assessment of fund management. This rating offers investors an impartial gauge of the primary areas of risk that income funds may face, including credit risk, liquidity risk, and interest rate risk.

**Fund Information**

<b>Launch Date</b>	December 28, 2018
<b>Fund Type</b>	Open End
<b>Category</b>	Money Market
<b>Risk Profile</b>	Medium
<b>Auditor</b>	EY Ford Rhodes, Chartered Accountants
<b>Trustee</b>	Central Depository Company of Pakistan Limited
<b>Front-end Load</b>	Nil
<b>Back-end Load</b>	Nil
<b>Benchmark</b>	3 Months average deposit rates of 3 AA rated Islamic Banks
<b>MQR Rating</b>	AM1 (VIS)
<b>Mgt. Fee</b>	Up to 3.5% of gross earnings subject to minimum floor of 0.10% of net assets p.a. and maximum cap of 0.75% of net assets p.a.

**Fund Overview**

Meezan Rozana Amdani Fund (the Fund) is an open-end money market fund constituted under a Trust Deed entered into on Dec 28, 2018, between Al-Meezan Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee.

**Investment Objective**

The objective of the scheme is to meet liquidity needs of investors by providing investors a daily payout through investment in Shariah compliant money market instruments.

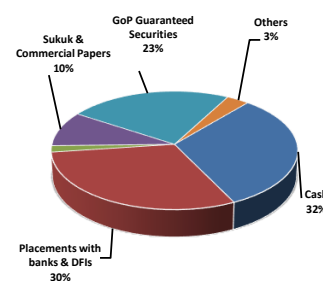
**Offering Document (Extract)**

Description	Minimum rating	Min- Max Limits
Shariah Compliant commercial papers and /or short term Sukuk of corporate entities	AA/A1 (short-term) and above	0%-20%
Shariah Compliant securities issued/guaranteed by GOP	N/A	0%-90%
Shariah compliant Money market instruments such as Islamic TDR, Certificate of Islamic Investments (COII), Certificates of Musharaka (CoM), Musharakah, Islamic Certificates of Deposit (CoD), etc. with Islamic Commercial Banks and Islamic DFIs or Islamic windows of Commercial banks and DFIs.	AA and above	0%-90%
Cash in licensed Islamic Banks and licensed Islamic Banking windows of conventional Banks and GOP Ijarah Sukuks not exceeding 90 days	AA and above (Bank Deposits)	10%-100%
Shariah Compliant Placements of funds (including TDR, PLS Saving deposit, COD, COM, COI, Money Market Placements and other clean placements of the funds) with all microfinance banks, non-banking finance companies and Modarabas	AAA	0%-25%
Any other Shariah compliant investment which may be authorized by the Fund's Shariah Advisors and SECP	AA/A1 (short-term) and above	0%-As Specified by SECP

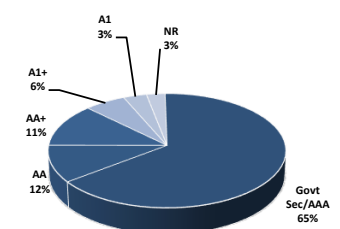
**Net Assets**

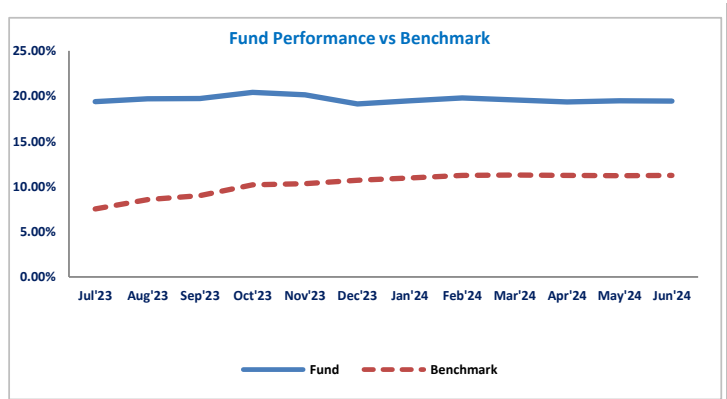
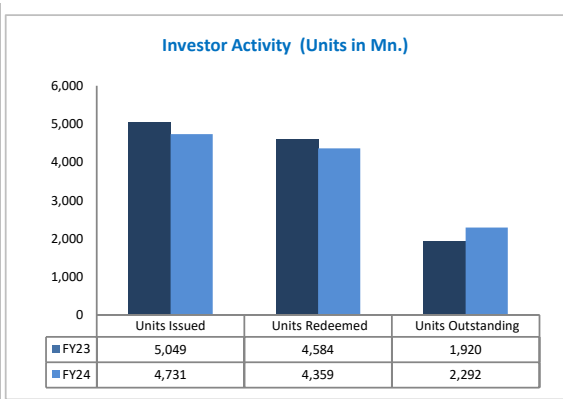
	Jun'22	Jun'23	Jun'24
Net Assets (In PKR' Millions)	71,689	95,337	114,606

**Asset Allocation - Jun'24**



**Credit Quality - Jun'24**





Credit Quality (FY'24)	Average	Maximum	Minimum	Avg. Asset Allocation (% wise)	FY'23 Avg.	FY'24 Avg.
Govt Sec/AAA	48.41%	64.85%	34.34%	Cash	62.04%	49.69%
AA+	25.45%	32.67%	10.47%	Placements with banks & DFIs	24.58%	29.78%
AA	19.91%	38.45%	5.10%	Bai Muajjal Placement	4.37%	0.29%
AA-	0.00%	0.00%	0.00%	Sukuk & Commercial Papers	7.39%	7.41%
A+	0.00%	0.00%	0.00%	GoP Guaranteed Securities	0.00%	10.69%
A	0.00%	0.00%	0.00%	Others	1.62%	2.15%
A-	0.00%	0.00%	0.00%			
BBB+	0.00%	0.00%	0.00%			
BBB	0.00%	0.00%	0.00%			
BBB-	0.00%	0.00%	0.00%			
A1+	1.98%	0.00%	0.00%			

Portfolio Maturity (FY'24)	Average	Maximum	Minimum	Benchmark	Fund Performance	FY'23	FY'24
WAM in year(s)	0.08	0.13	0.02	0.25	Total Return	16.83%	21.50%
Duration (In Days)	31	48	9	90	Benchmark Return	6.23%	10.28%
					Peer Average	16.78%	21.42%
					Peer Ranking	11/17	16/24

**Fund Stability Analysis**

The Meezan Rozana Amdani Fund has been assigned a rating of AA+(f) for fund stability. This rating indicates a high degree of stability in the net asset value (NAV) of the fund, with modest risk that may vary slightly due to changing economic conditions.

**Asset Allocation:**

During FY24, the Fund's Assets Under Management (AUMs) grew by ~21%, reaching Rs. 114.6b (Jun'23: Rs. 95.3b). While the Fund largely complied with the stipulations in the offering document, it exceeded the maximum exposure limit of 25% for placements in Banks & DFIs during July'23 to Nov'23, Feb'24, and April'24 to Jun'24. Consequently, the average allocation exceeded the prescribed limits. The portfolio primarily consisted of cash, which accounted for ~50% of the Fund's assets, followed by placements at ~30%, and GoP-guaranteed securities, which increased to ~11%. Additionally, Sukuk comprised ~7% of the investments.

**Credit Quality:**

During FY24, the Fund's credit quality exposures remained aligned with the parameters specified in the offering document, maintaining investments predominantly in AA and higher-rated securities. The overall credit quality of the Fund experienced a slight shift, with the allocation to AAA-rated securities decreasing to ~48% of the portfolio from ~60% a year earlier. Meanwhile, AA+ and AA-rated securities made up ~25% and ~20%, respectively. The Not Rated exposures reflect profit accrued against instruments/investments rated AA and AA+.

**Market and Liquidity Risk:**

As per the investment policy, weighted average time to maturity (WAM) shall not exceed 90 days, which the Fund has adhered to. During FY24, the average WAM of the Fund was reported at 31 days.

The liquidity profile of the Fund remains strong, with liquid assets accounting for an average of ~93% during FY24. The corporate investors accounted for the major portion of the AUM, constituting ~54% of the investments while retail investors represent ~44% of the Fund's portfolio. Additionally, client concentration risk is considered low, with the top ten investors comprising ~26% of the Fund's size as at Jun'24.

**Fund Performance:**

During FY24, the Fund yielded an annualized return of 21.50%, outperforming the peer average and positioning it in the third quartile.

**Financial Snapshot**

<b>BALANCE SHEET</b>	<b>FY23</b>	<b>FY24</b>
Paid Up Capital	N/A	N/A
Total Equity	N/A	N/A
<b>INCOME STATEMENT</b>	<b>FY23</b>	<b>FY24</b>
Total Income	13,779.7	21,349.1
Profit Before Tax	13,142.4	20,178.7
Profit After Tax	13,142.4	20,178.7
<b>RATIO ANALYSIS</b>	<b>FY23</b>	<b>FY24</b>
Current Ratio (x)	N/A	N/A
Gearing (x)	N/A	N/A
FFO	N/A	N/A

Regulatory Disclosures			
<b>Name of Rated Fund</b>	Meezan Rozana Amdani Fund	<b>Sector</b>	Mutual Funds
<b>Type of Relationship</b>	Solicited	<b>Purpose of Rating</b>	Fund Stability Rating (FSR)
Rating History			
Rating Type	Rating Date	Medium to Long Term	Rating Action
Fund Stability	6-Jan-25	AA+(f)	Reaffirmed
Fund Stability	27-Dec-23	AA+(f)	Reaffirmed
Fund Stability	3-Jan-23	AA+(f)	Reaffirmed
Fund Stability	27-Dec-21	AA+(f)	Reaffirmed
Fund Stability	12-Jan-21	AA+(f)	Upgrade
Fund Stability	30-Jun-20	AA(f)	Reaffirmed
<b>Statement by the Rating Team</b>	VIS, the analysts involved in the rating process and members of its rating committee do not have any conflict of interest relating to the credit rating(s) mentioned herein. This rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities.		
<b>Probability of Default</b>	VIS' ratings opinions express ordinal ranking of risk, from strongest to weakest, within a universe of credit risk. Ratings are not intended as guarantees of credit quality or as exact measures of the probability that a particular issuer or particular debt issue will default.		
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